

1 **Adopt 2 Cal. Code Regs. Section 18404.1 to read:**

2 **18404.1. Termination of Committees.**

3 (a) Pre-2001 Committees. Any candidate controlled committee organized for elective  
4 state office for an election held prior to January 1, 2001, must be terminated as set forth in 2 Cal.  
5 Code Regs. section 18404 and as follows no later than December 31, 2002, except candidates  
6 who currently hold elective state office pursuant to an election held prior to January 1, 2001, may  
7 retain one pre-2001 controlled committee, subject to the following:

8 (1) Committees controlled by candidates who never held or, as of the effective date of  
9 this regulation, no longer hold the elective state office for which the committees were formed  
10 must be terminated no later than December 31, 2002.

11 (2) In addition to compliance with subsection (a)(1), for those candidates holding an  
12 elective state office as of the effective date of this regulation:

13 (A1) Candidate controlled committees that have no debts must be terminated no later  
14 than 9 months after the earliest of the date the candidate leaves office or the his or her current  
15 term of office of office ends.

16 (B2) Candidate controlled committees that have debts must be terminated no later than  
17 24 months after the earliest of the date the candidate leaves office or the his or her current term  
18 of office of office ends.

19 (C) Candidate controlled committees that were formed for any local elections that were  
20 held concurrent with or prior to the candidate's election to state office must be terminated no  
21 later than December 31, 2002. Such termination shall be pursuant to 2 Cal. Code Regs. section  
22 18404.

1        (b) 2001 and Post-2001 Committees. Candidate controlled committees organized for  
2 elective state office for an election held on or after January 1, 2001, must be terminated as set  
3 forth in 2 Cal. Code Regs. section 18404 and as follows:

4        (1) Candidate controlled committees with no net debts outstanding, as defined in 2. Cal.  
5 Code Regs. section 18531.6, must be terminated no later than 9 months after the earliest of the  
6 date the candidate is defeated, leaves office or the term of office for which the committee was  
7 formed ends. ~~for the successful candidate, or 9 months after the candidate was defeated.~~

8        (2) Candidate controlled committees with net debts outstanding, as defined by 2 Cal.  
9 Code Regs. section 18531.6, must be terminated no later than 24 months after the earliest of the  
10 date the candidate is defeated, leaves office or the term of office for which the committee was  
11 formed ends. ~~for the successful candidate, or 24 months after the candidate was defeated.~~

12        (3) Candidates defeated in elections that were held after January 1, 2001, but prior to the  
13 effective date of this regulation shall terminate their committees 9 months from the effective date  
14 of this regulation if the committee has no net debts outstanding, as defined in 2 Cal. Code Regs.  
15 section 18531.6, and 24 months from the effective date of this regulation if the committee has  
16 outstanding debts.

17        (c) On or before termination of the candidate controlled committee, the campaign bank  
18 account associated with that committee must be closed. No further activity, including receipt of  
19 contributions or making of payments, is allowed after the date of the termination of the  
20 committee. Contributions received after the termination of the committee must be returned to  
21 the contributor.

22        (d) Candidates who are elected to an elective state office must terminate any controlled  
23 committees that were formed for any local elections that were held concurrent with or prior to  
24 their election to state office. Such termination shall be pursuant to 2 Cal. Code Regs. section

18404 and shall be no later than December 31, 2002 for committees formed by candidates who  
currently hold elective state office pursuant to an election held prior to January 1, 2001, and  
within 24 months of the candidate's election to state office if he or she is elected on or after  
January 1, 2001.

(e) The committee shall give at least 60 days notice of its impending termination to all  
creditors to whom it owes outstanding debts. Such notice shall include the date upon which the  
committee expects to file its terminating statement of organization.

(f) A committee may submit a request to the Executive Director of the Fair Political  
Practices Commission for an extension of up to six month's duration in which to comply with the  
requirements of this section. Such a request shall be submitted to the Executive Director no later  
than 30 days prior to the original due date for the committee's termination. Requests to renew  
the extension for additional periods of up to six months must be submitted to the Executive  
Director no later than 30 days prior to the expiration of the prior extension.

The Executive Director's decision regarding the granting or denial of the extension may  
be appealed to the Chairman within 10 days of receipt of the denial. The Chairman's decision  
shall be final, and may not be appealed to the Commission. In denying or granting the request  
for extension, the Executive Director shall consider the following:

(1) Whether the committee:

(A) Is continuing to receive contributions toward its outstanding debts;

(B) Anticipates receiving contributions in the future toward its outstanding debts; and

(C) Demonstrates the ability to discharge its debts, loans and other obligations; or

(2) Whether the candidate or committee is a party to litigation arising out of his or her  
candidacy or status as an elected official, or anticipates the filing of such litigation; or

(3) Other good cause shown.

- 1            (g) This regulation does not apply to local candidate controlled committees, except as  
2   provided in subdivision (d) of this regulation.
- 3   NOTE: Authority cited: Section 83112, Government Code.  
4   Reference: Section 84214, Government Code.